

Governance & Financing for the Mediterranean Water Sector

EIB Workshop

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What is so special about governance & financing

- ❑ At the core of water crisis there is an interplay between **governance deficit, mismanagement and under-financing**
- ❑ Despite flow of funding, **countries struggle - and usually fail - to meet the financial requirements** that water-related strategies and plans entail
- ❑ **Lack of basic elements of a sound governance framework impedes efficient use of available funding and mobilisation of much needed additional sources of finance**, particularly from the private sector
- ❑ The need to address this nexus **clearly stated in key regional documents**, also as a response to recent socio-political developments in the countries and the region

Snapshot of the project

Regional geographical scope

Duration: mid 2013 - mid 2016

Budget: 2.5 million Euros

Countries of focus: Albania,
Egypt, Jordan, Lebanon,
Palestine, Morocco, Tunisia

Designed & implemented by: GWP-Med & OECD

Labelled under the UfM framework on 9 July 2012

Consists of 2 components: national & regional

Regional Component funded by Sida

National Work in 2013 funded by EIB & GEF MedPartnership



Implementers

The **Global Water Partnership – Mediterranean (GWP-Med)** (regional partnership of GWP that was established in 1996 by World Bank, UNDP and Swedish SIDA) is a multi-stakeholder platform bringing together more than 80 networks, institutions and organisations working on water issues in the Mediterranean region. The aim is to exchange knowledge and promote action on Integrated Water Resource Management (IWRM) for the sustainable use of the region's water resources, through facilitated policy dialogue, targeted demonstration activities, experience and knowledge sharing and capacity-building.

The **Organisation for Economic Co-operation and Development (OECD)** is an intergovernmental organisation promoting policies that will improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems, based on evidence-based economic analysis.

Objective

The overall objective of the Project is to identify and provide realistic and implementable solutions (in the form of a set of operational guidance and a compendium of good/bad cases and best practices) to the governance challenges for the mobilisation of financing for the Mediterranean water sector

Specific objectives

The work will focus on two interlinked areas:

- ✓ Assess the opportunities and institutional and regulatory challenges arising from public-private partnerships in water infrastructure, as a tool in the hand of policy makers to advance the government objectives of managing water resources and financing services in an effective, sustainable and affordable manner.
- ✓ Stemming from the assessment, provide a diagnosis of the key governance and capacity building bottlenecks that impede the efficient use and mobilisation of much needed financing and of the mechanisms to overcome them. The work will seek to identify the main policy responses for managing cooperation across different governance levels, catalysing in-house government expertise and strengthening the institutional set-up that can underpin increased investment flows.

Components & outputs

A set of country reviews, developed through national consultations

- At country level, a questionnaire will be developed and used to identify the institutional and regulatory factors inhibiting the flows of financial resources and PPPs. The in-depth research based on the questionnaire will be complemented by multi-stakeholder policy dialogues and will pave the way for recommendations and an action plan for reforms, based on international best practices.

Regional dialogues to share experiences and promote the diffusion and replication of successful practices

- At regional level, the Project will support the exchange of policy experiences through regular meetings among Mediterranean and OECD countries and facilitate the interface between policy-makers and private sector actors on governance reforms that will help achieve financial sustainability in the water sector. The potential for setting up a regional platform for such interface will be explored.

National Component

Involves in-country policy dialogues of approximately 9-12 months, whose specific focus will be defined with each country

National assessments and a regional Report compiled to highlight:

- Institutional and regulatory factors inhibiting the flows of much needed financial resources** and beneficial public private partnerships (PPP) along with policy recommendations to overcome them;
- Existing governance and capacity building gaps** in managing complex interdependencies across public actors and the mechanisms used by different countries to bridge them.

National Component - outcomes

The assessments and accompanying multi-stakeholder policy dialogues will lead to:

- ❑ **In-depth consideration of mechanisms to overcome key bottlenecks, such as:**
 - (i) **strengthening of authorities that underpin an effective regulatory framework and of capacity building mechanisms to catalyse expertise in the public sector,**
 - (ii) **institutional cooperation mechanisms, such as river basin organisations, performance indicators, contracts across levels of government, dispute resolution mechanisms, etc.,**
 - (iii) **mechanisms to incentivise effective users' participation.**
- ❑ **Endorsement/application of mechanisms considered most suitable to the country context, through country policy dialogues, and using participatory approaches to ensure ownership.**

Regional Component

- ❑ **Annual Regional Meetings to:**
 - exchange good practices and the sharing of experiences** in the region and with other countries (EU, overseas, OECD)
 - identity common denominators, as well as replicable experiences and practices** using the compiled report of country case studies.
 - develop of a set of guidelines tailored to the region** based on the experiences detailed in country case studies.
- ❑ **Facilitate a broad network of experts dedicated to water governance dialogue**, in line with OECD's Global Water Governance Initiative and the Med Process of the World Water Fora
- ❑ **Explore the potential set up of a regional interface/roundtable among public and private actors**

Methodology

Builds on **well received earlier work** by GWP-Med/OECD in Egypt, Lebanon and Tunisia (in progress)

Long tradition of **providing neutral platforms for building consensus & sharing good practices** among wide range of stakeholders through evidence-based policy dialogues

Based on **tested methodologies and tools** to help countries **strengthen institutional capacity to attract financial resources** & manage water resources and service delivery more efficiently

Allows direct interface between citizens, users, governments and the private sector, thus **enhancing ownership and securing active participation**

Beneficiaries

Different levels of government and public authorities

- by strengthening their capacity for preparing, regulating, and monitoring PPP projects

Private partners and utilities

- by clarifying respective responsibilities and better supporting the management of expectations

Water users

- by helping them make their preferences and concerns better heard

Synergies

Based on ongoing work and linkages that the promoters have established in the Mediterranean region, operational linkages with EU and UN initiatives, processes and programmes can be secured, including, but not limited to, the:

- EU Water Initiative (EUWI) and particularly the Mediterranean Component (MED EUWI) and the Joint Process MED EUWI/WFD
- GEF Strategic Partnership for the Mediterranean
- Sustainable Water Integrated Management (SWIM) Support Mechanism and Demo projects
- Horizon 2020 Initiative to de-pollute the Mediterranean
- UN Barcelona Convention & Protocols, MSSD, UNEP MAP, UNDP WGP-AS, UN ESCWA, etc
- Marseille Centre for Mediterranean Integration (SustainableMed)

Strategic partnerships with the EIB (secured) and others (in progress) will ensure an adequate diagnosis of the governance bottlenecks, support the project financially and bolster the work's impact

Impact & added value

- ❑ Assist Public Sector in identifying & implementing best practices for Water Governance and Finance – timely as many countries are amidst water sector reform processes
- ❑ Help Public and Private Sectors to engage in a transparent and accountable way
- ❑ Address perception of misuse or abuse of public assets through clear regional models and guidelines and monitoring for public spending and for granting contracts
- ❑ Secured sharing of experiences through the regional conferences to be held annually
- ❑ Technical work on the regional component and linkages with on-going regional and global processes

Key strengths:

Convening power

Shared diagnosis

Pier review and advice

Credibility and Neutrality

Combination of solid technical work with informed consultation processes, engaging a plethora of actors

Thank you
for your kind
attention

مع خالص شكري
وامتناني

Merci pour
votre
attention